

COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION 500 WEST TEMPLE STREET, ROOM 525 LOS ANGELES, CALIFORNIA 90012-2766 PHONE: (213) 974-8301 FAX: (213) 626-5427

April 3, 2006

AUDITOR-CONTROLLER

Ms. Paula Highashi Executive Director Commission on State Mandates 980 Ninth Street, Suite 300 Sacramento, California 95814

Dear Ms. Highashi:

Los Angeles County Review
Commission on State Mandates [Commission] Staff
Consolidation of Parameters and Guidelines [Ps&Gs]
Handicapped and Disabled Students [04-RL-4282-10]
Handicapped and Disabled Students II [02-TC-40/02-TC-49]
SED Pupils: Out-of-State Mental Health Services [97-TC-05]

Our review of the subject consolidated Ps&Gs proposed by Commission staff is enclosed.

Leonard Kaye of my staff is available at (213) 974-8564 to answer questions you may have concerning this submission.

Very truly yours,

J. Tyler McCauley
Auditor-Controller

JTM:CY:LK Enclosures

Los Angeles County Review
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Cost Report Method Omitted

It appears that using the cost report method, or units of service method, in claiming reimbursements is no longer allowed under Commission staff's consolidated Ps&Gs. Only the actual increased cost method, or salaries and benefits method, now appears to be permissible as that is the only method included in staff's Ps&Gs¹. This omitted method poses a serious, if not insurmountable, computational problem for those that have designed their entire system using the cost report method. Clearly, the cost report method, found to be perfectly acceptable by the State Department of Mental Health as well as the State Controller's Office, should be included in staff's Ps&Gs.

Erroneous Service Limitations

Regarding reimbursement for psychotherapy or other mental health treatment services, the statement, on page 10 of staff's Ps&Gs, appears to erroneously preclude reimbursement for "... mental health assessments, collateral services, intensive day treatment, case management services...". However, Commission's Statement of Decision on the Reconsideration of the Handicapped and Disabled Student program, on page 42, indicates a contrary reimbursement rule and reimbursement is clearly allowable for:

".... providing psychotherapy or other mental health services identified in a pupil's IEP, as defined in sections 542 and 543 of the Department of Mental Health Regulations."

¹ An excerpt from the State Controller's Office "Services to Handicapped Students" claiming instructions used to prepare the 2004-05 actual and 2005-06 estimated claims is attached here in Exhibit A, pages 1-2, to illustrate the differences in these methods.

To avoid confusion, the list of mental health services clearly reimbursable under sections 542 and 543 of the Department of Mental Health Regulations should be included in staff's consolidated Ps&Gs².

Pending Amendments

Also, there are two Ps&Gs amendments still pending as set forth below. Commission's action should await resolution of these amendments in order to ensure that the components of the consolidated Ps&Gs are valid.

In 2001, Los Angeles and Stanislaus counties filed amendments to the Handicapped and Disabled Students Ps&Gs [CSM 4282] in order to: delete references to the Short-Doyle cost-sharing mechanism in limiting mental health treatment reimbursements, as the Short-Doyle Act was repealed in 1991; to provide for reimbursement for in-state room and board costs; and, to update the language for indirect cost reimbursement. This matter was put over until the Los Angeles and Stanislaus counties' test claim [Handicapped and Disabled Students II] was adjudicated. As the Handicapped and Disabled Students II test claim was decided on May 26, 2005, this Ps&Gs amendment is still pending and should be adjudicated before any consolidation occurs.

Out-of-Home Cost Clarification

On March 13, 2006 the County of Los Angeles filed a Ps&Gs amendment to the SED Pupils: Out-of-State Mental Health Services Ps&Gs to clarify that board and care services are allowable. In this regard, staff's language in the consolidated Ps&Gs, on page 9, does not specifically provide an intelligible rule for reimbursing, or not reimbursing, board and care, mental health, educational and medical costs. In this regard, there is no indication, in the consolidated Ps&Gs, that "residential and non-educational" costs include mental health service costs. In the SED Pupils: Out-of-State Mental Health Services Ps&Gs, an entire reimbursable component is entitled "Mental Health Vendor" reimbursements. However, there is no reference, at all, in the consolidated Ps&Gs, to mental health services for in-State residential placements... even though Commission's Statement of Decision on

² A detailed description of mental health services, such as mental health assessments, collateral services, intensive day treatment services which are required under sections 542 and 543 of the Department of Mental Health Regulations, have been found by the Commission to be reimbursable. See the Commission's Statement of Decision on the "Handicapped and Disabled Students" [CSM 4282] Reconsideration, adopted January 26, 2006, pages 38-42, included herein in pertinent part in Exhibit A, pages 3-7.

the "Handicapped and Disabled Students" [CSM 4282] Reconsideration, adopted January 26, 2006, states, on page 41, that:

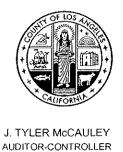
"... section 60200, subdivisions (a) and (b), of the regulations clarifies that counties are financially responsible for providing the mental health services identified in the IEP of a seriously emotionally disturbed pupil placed in an out-of-home residential facility located within the State of California. Mental health services provided to a seriously emotionally disturbed pupil shall be provided either directly or by contract."

Further, there is no indication that the full [100%] of authorized mental health service cost incurred in an out-of-home residential facility placement is reimbursable.

Also, regarding reimbursements for seriously emotionally disturbed pupils placed in out-of-home residential facilities, the consolidated Ps&Gs language governing reimbursement do not clearly indicate the it includes the costs of the placements, <u>as well as</u> the costs of processing payments, that is reimbursable. Here the consolidated Ps&Gs refer to the costs of "authorizing" and "issuing" payments and do not indicate that reimbursement shall be provided for the costs of mental health and residential board and care services.

Missing Cost Component

Finally, the entire reimbursement component "Program Management", found on page 3 in the SED Pupils: Out-of-State Mental Health Services Ps&Gs, was omitted in staff's consolidated Ps&Gs.



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Declaration of Leonard Kaye

Leonard Kaye makes the following declaration and statement under oath:

I Leonard Kaye, SB 90 Coordinator, in and for the County of Los Angeles, am responsible for filing test claims, reviews of State agency comments, Commission staff analysis, and for proposing parameters and guidelines (P's& G's) and amendments thereto, and for preparing filings pursuant to Commission's reconsideration of its prior decisions and Ps&Gs, all for the complete and timely recovery of costs mandated by the State. Specifically, I have prepared the subject filing and attachments thereto.

Specifically, I declare that I have met and conferred with State officials and local claimants as well as reviewed Commission staff's proposed consolidated Ps&Gs for omissions and errors, and find that, as suggested in the attached filing, modifications of the staff's Ps&Gs are required and that more time is necessary to complete this complex task. All the modifications suggested in the attached filing are, in my opinion, reimbursable "costs mandated by the State", as defined in Government Code section 17514:

" 'Costs mandated by the State' means any increased costs which a local agency or school district is required to incur after July 1, 1980, as a result of any statute enacted on or after January 1, 1975, or any executive order implementing any statute enacted on or after January 1, 1975, which mandates a new program or higher level of service of an existing program within the meaning of Section 6 of Article XIII B of the California Constitution."

I am personally conversant with the foregoing facts and if so required, I could and would testify to the statements made herein.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct of my own knowledge, except as to the matters which are therein stated as information or belief, and as to those matters I believe them to be true.

4/03/06; Los Angeles, CA
Date and Place

Signature

Exhibit A

Los Angeles County Review
Commission on State Mandates [Commission] Staff
Consolidation of Parameters and Guidelines [Ps&Gs]
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9. Claim Preparation

There are two satisfactory methods of submitting claims for reimbursement of increased costs incurred to comply with the mandate:

A. Cost Report Method

Under this claiming method a complete copy of the annual cost report including all supporting schedules attached to the cost report as filed with DMH must also be filed with the claim forms submitted to the State Controller.

To the extent that reimbursable indirect costs have not already been reimbursed by DMH from categorical funding sources, they may be claimed under this method in either of the two following ways prescribed in the State Controller's claiming instructions:

Ten (10%) percent of related direct labor, excluding fringe benefits. This method may not result in a total combined reimbursement from DMH and SCO for program indirect costs that exceed ten (10%) percent of total program direct labor costs, excluding fringe benefits.

OR if an indirect cost rate greater than ten (10%) is being claimed:

By preparation of an "Indirect Cost Rate Proposal" (ICRP) in full compliance with Office of Management and Budget Circular A-87 (OMB A-87). Note that OMB A-87 was revised as of May 17, 1995, and that while OMB A-87 is based on the concept of full allocation of indirect costs, it recognizes that in addition to its restrictions, there may be state laws or state regulations that further restrict allowability of costs. Additionally, if more than one department is involved in the mandated program, each department must have its own ICRP. Under this method, total reimbursement for program indirect costs from combined DMH and SCO sources must not exceed the total for those items as computed in the ICRP's.

Form HDS-6, Component/Activity Cost Detail

This form is used to detail the cost of administration for Assessment, IEP Participation, Case Management and Mental Health Treatment. The indirect costs summarized on this form must be carried forward to HDS-3, line (03)(e) or HDS-3, line (03)(g), as appropriate.

Indirect costs may be computed as ten (10%) of direct labor costs, excluding fringe benefits. If an indirect cost rate greater than ten (10%) is used, include the Indirect Cost Proposal (ICRP) with the claim. If more than one department is involved in the mandated costs program, each department must have their own ICRP.

2. Form HDS-5, Component/Activity Cost Detail

This form is used to detail the cost of due process proceedings. Claim statistics shall identify the amount of work performed during the period in which costs are claimed. The claimant must provide the number of due process proceedings. The cost summarized on this form must be carried forward to HDS-3, line (03)(d).

Indirect costs may be computed as ten (10%) of direct labor costs, excluding fringe benefits. If an indirect cost rate greater than ten (10%) is used, include the Indirect Cost Proposal (ICRP) with the claim. If more than one department is involved in the mandated costs program, each department must have their own ICRP.

Form HDS-4, Component/Activity Cost Detail

This form is used to segregate the detailed cost by claim component. Information required to complete this form: (a) Name of Providers, (b) Provider I.D. Numbers, (c) Service Function Codes, (d) Units of Service, and (e) Rate Per

Unit. Carry forward the total from line (05) column (f) to form HDS-3, block (03) in the appropriate line.

4. Form HDS-3, Claim Summary

This form is used to summarize the cost from forms HDS-4, HDS-5, and HDS-6. The cost must be reduced by the amount of funds received from Non-Categorical State General/Realignment Funds, State Categorical Funds, Short-Doyle/Medi Cal (FFP only), and other funds that reimburse any portion of the mandate. The total claimed amount on this form is carried forward to form FAM-27.

B. Actual Increased Cost Method

Report actual increased costs incurred for each of the following expense categories in the format specified by the State Controller's claiming instructions. Attach supporting schedules as necessary.

1. Form HDS-2, Component/Activity Cost Detail

This form is used to segregate the detailed cost by claim component. A separate form HDS-2 must be completed for each cost component being claimed. Costs reported on this form must be supported as follows:

(a) Salaries and Benefits

Identify the employee(s), and/or show the classification of the employee(s) involved. Describe the mandated functions performed by each employee and specify the actual time spent, the productive hourly rate and related fringe benefits.

Source documents required to be maintained by the claimant may include, but are not limited to, employee time records that show the employee's actual time spent on this mandate.

(b) Materials and Supplies

Only expenditures that can be identified as a direct cost of this mandate may be claimed. List the cost of materials consumed or expended specifically for the purpose of this mandate.

Source documents required to be maintained by the claimant may include, but are not limited to, invoices, receipts, purchase orders and other documents evidencing the validity of the expenditures.

(c) Contracted Services

Contracting costs are reimbursable to the extent that the function to be performed requires special skill or knowledge that is not readily available from the claimant's staff or the service to be provided by the contractor is cost effective. Use of contract services must be justified by the claimant.

Give the name(s) of the contractor(s) who performed the services. Describe the activities performed by each named contractor, actual time spent on this mandate, inclusive dates when services were performed, and itemize all costs for services performed. Attach consultant invoices with the claim.

Source documents required to be maintained by the claimant may include, but are not limited to, contracts, invoices, and other documents evidencing the validity of the expenditures.

For audit purposes, all supporting documents must be retained for a period of two years after the end of the calendar year in which the reimbursement claim was filed or last amended, whichever is later. Such documents shall be made available to the State Controller's Office on request.

Commission finds that the cost for school supplies are not required to be paid to residential care providers by the counties.

In addition, effective July 1, 1998, the regulations were amended to provide a definition of "care and supervision." The definition does not include issuing payments for the reasonable cost of administration and operation, and the reasonable activities performed by social workers employed by group home providers, which are not otherwise allowable as daily supervision or as the costs of administration. Therefore, since the reimbursement period for this reconsideration begins July 1, 2004, the Commission finds that the activity of issuing payments for the reasonable cost of administration and operation, and the reasonable activities performed by social workers employed by group home providers which are not otherwise allowable as daily supervision or as the costs of administration, do not constitute a state-mandated new program or higher level of service.

Thus, the Commission finds that the requirement to issue payments to providers of 24-hour out-of-home facilities for the costs of food, clothing, shelter, daily supervision, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation, constitutes a state-mandated new program or higher level of service.

Welfare and Institutions Code section 18351, subdivision (b), further requires the county welfare department to submit reports to the State Department of Social Services for reimbursement of payments issued to seriously emotionally disturbed pupils for 24-hour out-of-home care.

Accordingly, the Commission finds that Government Code section 7581 and section 60200, subdivision (e), of the regulations constitute a state-mandated new program or higher level of service for the following activities:

- Issue payments to providers of out-of-home residential care for the residential and non-educational costs of seriously emotionally disturbed pupils. Payments are for the costs of food, clothing, shelter, daily supervision, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation.
- Submit reports to the State Department of Social Services for reimbursement of payments issued to seriously emotionally disturbed pupils for 24-hour out-ofhome care.
- 6. Provide psychotherapy or other mental health services, as defined in regulations, when required by the IEP (Gov. Code, § 7576; Cal. Code Regs., tit. 2, §§ 60020, subd. (a), 60200, subds. (a) and (b))

Government Code section 7576 requires the State Department of Mental Health, or any designated community mental health service (i.e., the county), to provide psychotherapy or other mental health services when required by a pupil's IEP. Psychotherapy or other mental health services may be provided directly or by contracting with another public

⁹⁵ See California Code of Regulations, title 2, section 60025, subdivision (a), (eff. July 1, 1998).

agency, qualified individual, or a state-certified nonpublic, nonsectarian school or agency.

Section 60020, subdivision (a), defines "psychotherapy and other mental health services" as "those services defined in Sections 542 to 543, inclusive, of Title 9 of the California Administrative Code [Department of Mental Health regulations], and provided by a local mental health program directly or by contract." Section 542 of the Department of Mental Health regulations governs the definition of "day services": services that are designed to provide alternatives to 24-hour care and supplement other modes of treatment and residential services. Day services include day care intensive services, day care habilitative services, vocational services and socialization services. These services are defined in section 542 of the regulations as follows:

- Day care intensive services are "services designed and staffed to provide a
 multidisciplinary treatment program of less than 24 hours per day as an alternative
 to hospitalization for patients who need active psychiatric treatment for acute
 mental, emotional, or behavioral disorders and who are expected, after receiving
 these services, to be referred to a lower level of treatment, or maintain the ability
 to live independently or in a supervised residential facility."
- Day care habilitative services are "services designed and staffed to provide counseling and rehabilitation to maintain or restore personal independence at the best possible functional level for the patient with chronic psychiatric impairments who may live independently, semi-independently, or in a supervised residential facility which does not provide this service." ⁹⁶
- Vocational services are "services designed to encourage and facilitate individual motivation and focus upon realistic and obtainable vocational goals. To the extent possible, the intent is to maximize individual client involvement in skill seeking and skill enhancement, with the ultimate goal of meaningful productive work."

The Commission disagrees with the County's request. The plain language of test claim regulations (Cal. Code Regs., tit. 2, §§ 60000 et seq.) does not require or mandate counties to perform the activities defined by section 1810.243 of the Department's title 9 regulations. In addition, the test claim regulations do not reference section 1810.243 of the Department's title 9 regulations for any definition relevant to the program at issue in this case.

⁹⁶ In comments to the draft staff analysis, the County of Los Angeles asserts that "rehabilitation" should be specifically defined to include the activities identified in section 1810.243 of the regulations adopted by the Department of Mental Health under the Medi-Cal Specialty Mental Health Services Consolidation program. (Cal. Code Regs., tit. 9, § 1810.243.) These activities include "assistance in improving, maintaining, or restoring a beneficiary's or group of beneficiaries' functional skills, daily living skills, social and leisure skills, grooming and personal hygiene skills, meal preparation skills, and support resources and/or medication education."

 Socialization services are "services designed to provide life-enrichment and social skill development for individuals who would otherwise remain withdrawn and isolated. Activities should be gauged for multiple age groups, be culturally relevant, and focus upon normalization."

Section 543 of the Department of Mental Health regulations defines "outpatient services," which are defined as "services designed to provide short-term or sustained therapeutic intervention for individuals experiencing acute or ongoing psychiatric distress." Outpatient services include the following:

- Collateral services, which are "sessions with significant persons in the life of the patient, necessary to serve the mental health needs of the patient."
- Assessment, which is defined as "services designed to provide formal
 documented evaluation or analysis of the cause or nature of the patient's mental,
 emotional, or behavioral disorder. Assessment services are limited to an intake
 examination, mental health evaluation, physical examination, and laboratory
 testing necessary for the evaluation and treatment of the patient's mental health
 needs."
- Individual therapy, which is defined as "services designed to provide a goal directed therapeutic intervention with the patient which focuses on the mental health needs of the patient."
- Group therapy, which are "services designed to provide a goal directed, face-to-face therapeutic intervention with the patient and one or more other patients who are treated at the same time, and which focuses on the mental health needs of the patient."
- Medication, which is defined to include "the prescribing, administration, or dispensing of medications necessary to maintain individual psychiatric stability during the treatment process. This service shall include the evaluation of side effects and results of medication."
- Crisis intervention, which means "immediate therapeutic response which must include a face-to-face contact with a patient exhibiting acute psychiatric symptoms to alleviate problems which, if untreated, present an imminent threat to the patient or others."

The County of Los Angeles, in comments to the draft staff analysis, argues that all of the activities listed above should be identified as reimbursable state-mandated activities. However, as of July 1, 1998, the activities of providing vocational services, socialization services, and crisis intervention to pupils are no longer required by section 60020 of the regulations. The final statement of reasons for the 1998 adoption of section 60020 of the regulations by the Departments of Mental Health and Education provides the following reason for the deletion of these activities:

The provision of vocational services is assigned to the State Department of Rehabilitation by Government Code section 7577.

Crisis service provision is delegated to be "from other public programs or private providers, as appropriate" by these proposed regulations in

Section 60040(e) because crisis services are a medical as opposed to educational service. They are, therefore, excluded under both the <u>Tatro</u> and <u>Clovis</u> decisions. These precedents apply because "medical" specialists must deliver the services. A mental health crisis team involves specialized professionals. Because of the cost of these professional services, providing these services would be a financial burden that neither the schools nor the local mental health services are intended to address in this program.

The hospital costs of crisis service provision are explicitly excluded from this program in the Clovis decision for the same reasons.

Additionally, the IEP process is one that responds slowly due to the problems inherent in convening the team. It is, therefore, a poor avenue for the provision of crisis services. While the need for crisis services can be a predictable requirement over time, the particular medical requirements of the service are better delivered through the usual local mechanisms established specifically for this purpose.⁹⁷

Since the reimbursement period for this reconsideration begins July 1, 2004, the Commission finds that the activities of providing vocational services, socialization services, and crisis intervention to pupils do not constitute a state-mandated new program or higher level of service.

In addition, the County of Los Angeles specifically requests reimbursement for "medication monitoring." The phrase "medication monitoring" was not included in the original test claim legislation. "Medication monitoring" was added to the regulations for this program in 1998 (Cal. Code Regs. tit. 2, § 60020.) "Medication monitoring" is part of the new, and current, definition of "mental health services" that was adopted by the Departments of Mental Health and Education in 1998. The current definition of "mental health services" and "medication monitoring" is the subject of the pending test claim, Handicapped and Disabled Students II (02-TC-40 and 02-TC-49), and will not be specifically analyzed here. But, as of 1998, "dispensing of medications necessary to maintain individual psychiatric stability during the treatment process" was deleted from the definition of "mental health services." Since the reimbursement period for this reconsideration begins July 1, 2004, the Commission finds that the activity of "dispensing of medications necessary to maintain individual psychiatric stability during the treatment process" does not constitute a state-mandated new program or higher level of service.

Finally, section 60200, subdivisions (a) and (b), of the regulations clarifies that counties are financially responsible for providing the mental health services identified in the IEP of a seriously emotionally disturbed pupil placed in an out-of-home residential facility located within the State of California. Mental health services provided to a seriously emotionally disturbed pupil shall be provided either directly or by contract.

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⁹⁷ Final Statement of Reasons, pages 55-56.

Accordingly, the Commission finds that Government Code section 7576, and sections 60020 and 60200 of the regulations constitute a state-mandated new program or higher level of service for the following activity:

- Providing psychotherapy or other mental health services identified in a pupil's IEP, as defined in sections 542 and 543 of the Department of Mental Health regulations. However, the activities of providing vocational services, socialization services, and crisis intervention to pupils, and dispensing medications necessary to maintain individual psychiatric stability during the treatment process, do not constitute a state-mandated new program or higher level of service.
- 7. Participate in due process hearings relating to issues involving mental health assessments or services (Gov. Code, § 7586; Cal. Code Regs., tit. 2, § 60550)

Government Code section 7586, subdivision (a), addresses the due process procedures when disputes regarding special education and related services arise. That section requires all state departments and their designated local agencies to be governed by the procedural safeguards required by federal law. The designated local agency is the county mental health program established in accordance with the Short-Doyle Act. 98

Government Code section 7586, subdivision (a), states the following:

All state departments, and their designated local agencies, shall be governed by the procedural safeguards required in Section 1415 of Title 20 of the United States Code. A due process hearing arising over a related service or designated instruction and service shall be filed with the Superintendent of Public Instruction. Resolution of all issues shall be through the due process hearing process established in Chapter 5 (commencing with Section 56500) of Part 30 of Division 4 of the Education Code. The decision issued in the due process hearing shall be binding on the department having responsibility for the services in issue as prescribed by this chapter.⁹⁹

The due process hearing procedures identified in Education Code section 56501 allow the parent and the public education agency to initiate the due process hearing procedures when there is a proposal to initiate or change the identification, assessment, or educational placement of the child or the provision of a free, appropriate public education to the child; there is a refusal to initiate or change the identification, assessment, or educational placement of the child or the provision of a free, appropriate public education to the child; or when the parent refuses to consent to an assessment of the child. The due

⁹⁸ Government Code section 7571; California Code of Regulations, title 2, section 60020, subdivision (d).

⁹⁹ Section 60550 of the regulations contains similar language and provides that "[d]ue process hearing procedures apply to the resolution of disagreements between parents and a public agency regarding the proposal or refusal of a public agency to initiate or change the identification, assessment, educational placement, or the provision of special education and related services to the pupil."



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DECLARATION OF SERVICE

STATE OF CALIFORNIA, County of Los Angeles:

<u>Hasmik Yaghobyan</u> states: I am and at all times herein mentioned have been a citizen of the United States and a resident of the County of Los Angeles, over the age of eighteen years and not a party to nor interested in the within action; that my business address is 603 Kenneth Hahn Hall of Administration, City of Los Angeles, County of Los Angeles, State of California;

That on the 3rd day of April, 2006, I served the attached:

Documents: Los Angeles County Review- Commission on State Mandates [Commission] Staff, Consolidation of Parameters & Guidelines [Ps&Gs], Handicapped and Disabled Students [04-RL-4282-10], Handicapped and Disabled Students II [02-TC-40/02-TC-49], SED Pupils: Out – of-State Mental Health Services [97-TC-05], including a 1 page letter of J. Tyler McCauley dated 4/3/06, a 3 page narrative, an eight page attachment (Exhibit A), and a 1 page declaration of Leonard Kaye, now pending before the Commission on State Mandates.

[X] By transmitting to Commission's e-mail <u>csminfo@csm.ca.gov</u> a PDF copy of the above documents. By mailing original signed above documents to Commission's address: Ms. Paula Higashi, Executive Director; Commission on State Mandates; 900 Ninth Street, Suite 300; Sacramento, California 95814; and by Faxing above documents to Commission at [916] 445-0278.

That I am readily familiar with the business practice of the Los Angeles County for collection and processing of correspondence for mailing with the United States Postal Service; and that the correspondence would be deposited within the United States Postal Service that same day in the ordinary course of business. Said service was made at a place where there is delivery service by the United States mail and that there is a regular communication by mail between the place of mailing and the place so addressed.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 3rd day of April, 2006 at Los Angeles, California.

Hasmik Yaghobyan